
HOUSE BILL 2175

State of Washington 60th Legislature 2007 Regular Session

By Representatives Morris, Crouse, Ericksen, Linville, Chase, Hurst and Goodman

Read first time 02/12/2007. Referred to Committee on Finance.

1 AN ACT Relating to a sales and use tax exemption for low carbon
2 generation facilities; and amending RCW 82.08.02567 and 82.12.02567.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 82.08.02567 and 2004 c 152 s 1 are each amended to
5 read as follows:

6 (1) The tax levied by RCW 82.08.020 shall not apply to sales of
7 machinery and equipment used directly in generating electricity at a
8 low carbon generation facility or at a facility using fuel cells, wind,
9 sun, or landfill gas as the principal source of power, or to sales of
10 or charges made for labor and services rendered in respect to
11 installing such machinery and equipment, but only if the purchaser
12 develops with such machinery, equipment, and labor a facility capable
13 of generating not less than two hundred watts of electricity and
14 provides the seller with an exemption certificate in a form and manner
15 prescribed by the department. The seller shall retain a copy of the
16 certificate for the seller's files.

17 (2) For purposes of this section and RCW 82.12.02567:

18 (a) "Landfill gas" means biomass fuel of the type qualified for

1 federal tax credits under 26 U.S.C. Sec. 29 collected from a landfill.

2 "Landfill" means a landfill as defined under RCW 70.95.030;

3 (b) "Machinery and equipment" means industrial fixtures, devices,
4 and support facilities that are integral and necessary to the
5 generation of electricity at a low carbon generation facility or at a
6 facility using fuel cells, wind, sun, or landfill gas as the principal
7 source of power;

8 (c) "Machinery and equipment" does not include: (i) Hand-powered
9 tools; (ii) property with a useful life of less than one year; (iii)
10 repair parts required to restore machinery and equipment to normal
11 working order; (iv) replacement parts that do not increase
12 productivity, improve efficiency, or extend the useful life of
13 machinery and equipment; (v) buildings; or (vi) building fixtures that
14 are not integral and necessary to the generation of electricity that
15 are permanently affixed to and become a physical part of a building;

16 (d) Machinery and equipment is "used directly" in generating
17 electricity (i) at a low carbon generation facility, (ii) with fuel
18 cells, or (iii) by wind energy, solar energy, or landfill gas power if
19 it provides any part of the process that generates electrical energy or
20 captures the energy of the wind, sun, or landfill gas, converts that
21 energy to electricity, and stores, transforms, or transmits that
22 electricity for entry into or operation in parallel with electric
23 transmission and distribution systems;

24 (e) "Fuel cell" means an electrochemical reaction that generates
25 electricity by combining atoms of hydrogen and oxygen in the presence
26 of a catalyst;

27 (f) "Low carbon generation facility" means (i) a cogeneration
28 facility as defined in RCW 80.04.010 or (ii) an electricity generation
29 facility that emits less than 0.8 pounds of carbon dioxide per kilowatt
30 hour of electricity generated.

31 (3) This section expires June 30, 2009.

32 **Sec. 2.** RCW 82.12.02567 and 2004 c 152 s 2 are each amended to
33 read as follows:

34 (1) The provisions of this chapter shall not apply with respect to
35 machinery and equipment used directly in generating not less than two
36 hundred watts of electricity at a low carbon generation facility or at

1 a facility using fuel cells, wind, sun, or landfill gas as the
2 principal source of power, or to the use of labor and services rendered
3 in respect to installing such machinery and equipment.

4 (2) The definitions in RCW 82.08.02567 apply to this section.

5 (3) This section expires June 30, 2009.

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